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Contracting Officer in writing within 10 calendar days, stating why the estimated labor hours or specified completion date is considered unreasonable.

(e) Each delivery order will have a ceiling price, which the Contractor may not exceed. When the Contractor has reason to believe that the labor payment and support costs for the order, which will accrue in the next thirty (30) days, will bring total cost to over 85 percent of the ceiling price specified in the order, the Contractor shall notify the Ordering Officer.

(f) Paragraphs (c), (d), and (e) of this clause apply only when services are being ordered.

### (End of clause)

# 1552.216-73 Fixed rates for services—indefinite delivery/indefinite quantity contract.

As prescribed in 1516.505(b), insert the following clause to specify fixed rates for services in indefinite delivery/indefinite quantity contracts. When the contract contains options, the clause should be modified to reflect the information and data for the base period and any option periods.

FIXED RATES FOR SERVICES—INDEFINITE DE-LIVERY/INDEFINITE QUANTITY CONTRACT (APR. 1984)

The following fixed rates shall apply for payment purposes for the duration of the contact.

Personnel classi- fication	Skill level	Estimated direct labor hours	Fixed hourly rate	Total

The rate, or rates, set forth above cover all expenses, including report preparation, salaries, overhead, general and administrative expenses, and profit.

The Contractor shall voucher for only the time of the personnel whose services are applied directly to the work called for in individual Delivery Orders and accepted by the EPA Project Officer. The Government shall pay the Contractor for the life of a delivery order at rates in effect when the delivery order was issued, even if performance under the delivery order crosses into another period. The Contractor shall maintain time and labor distribution records for all employees who work under the contract. These records must document time worked and work performed by each individual on all Delivery Orders.

(End of clause)

### 1552.216-74 Payment of fee.

As prescribed in 1516.307(b), insert the following clause:

### PAYMENT OF FEE (MAY 1991)

(a) The term *fee* in this clause refers to either the fixed fee under a cost-plus-fixed-fee type contract, or the base fee under a cost-plus-award-fee type contract.

(b) The Government will make provisional fee payments on the basis of percentage of work completed. Percentage of work completed is the ratio of direct labor hours performed to the direct labor hours set forth in clause 1552.211–73, Level of Effort—Cost-Reimbursement Term Contract.

#### (End of clause)

[56 FR 43711, Sept. 4, 1991, as amended at 63 FR 46899, Sept. 3, 1998]

### 1552.216-75 Base fee and award fee proposal.

As prescribed in 1516.405(b), insert the following clause:

BASE FEE AND AWARD FEE PROPOSAL (FEB 1999)

For the purpose of this solicitation, offerors shall propose a combination of base fee and award fee. Base fee shall not exceed 3% of the estimated cost, excluding fee, and the award fee shall not be less than \_\_\_\_% of the total estimated cost, excluding fee. The combined percentages of base and award fee shall not exceed \_\_\_\_% of the total estimated cost, excluding fee.

(End of clause)

[64 FR 3876, Jan. 26, 1999]

### 1552.216-76 Estimated cost and costsharing.

As prescribed in 1516.307(c), insert the following clause:

ESTIMATED COST AND COST-SHARING (APR 1996)

- (a) The total estimated cost of performing the work under this contract is \$\_\_\_. The Contractor's share of this cost shall not exceed \$\_\_\_\_. The Government's share of this cost shall not exceed \$\_\_\_.
- (b) For performance of the work under the contract, the Contractor shall be reimbursed for not more than percent of the cost of performance determined to be allowable under the Allowable Cost and Payment clause. The remaining balance of allowable cost shall constitute the Contractor's share.

### 1552.216-77

- (c) Fee shall not be paid to the prime contractor under this cost-sharing contract.
- (d) The Contractor shall maintain records of all costs incurred and claimed for reimbursement as well as any other costs claimed as part of its cost share. Those records shall be subject to audit by the Government.
- (e) Costs contributed by the Contractor shall not be charged to the Government under any other contract, grant or agreement (including allocation to other contracts as part of an independent research and development program) nor be included as contributions under any other Federal contract.

(End of clause)

[61 FR 14505, Apr. 2, 1996]

### 1552.216-77 Award term incentive.

As prescribed in 1515.406(c), insert a clause substantially the same as follows:

### AWARD TERM INCENTIVE (FEB 2008)

- (a) General. This contract may be extended as set forth in paragraph (b) based on overall contractor performance as evaluated in accordance with the Clause entitled "Award Term Incentive Plan," provided the Agency has a need for the effort at or before the time an award term is to commence, and if the contractor receives notice of the availability of funding for an award term period pursuant to the "Award Term Availability of Funds" clause. The Contracting Officer is responsible for the overall award term evaluation and award term decision. The Contracting Officer will unilaterally decide whether or not the contractor is eligible for an award term extension, and in conjunction with the Contracting Officer's Representative, will determine the need for continued performance and funding availability.
- (b) Period of performance. Provided the contractor has achieved the performance measures, e.g., acceptable quality levels, set forth in the clause "Award Term Incentive Plan," the Contracting Officer may extend the contract by exercising [insert the total award term incentive periods] additional [insert award term incentive period(s) of the award term incentive period] months each. The total maximum period of performance under this contract, if the Government exercises any option periods and all award term incentive periods is [insert the total of the base period, option periods (if any), and award term incentive periods] years.
- (c) Right not to grant or cancel the award term incentive. (1) The Government has the unilateral right not to grant or to cancel award term incentive periods and the associated award term incentive plans if—

- (i) The Contracting Officer has failed to initiate an award term incentive period, regardless of whether the contractor's performance permitted the Contracting Officer to consider initiating the award term incentive period: or
- (ii) The contractor has failed to achieve the performance measures for the corresponding evaluation period; or
- (iii) The Government notifies the contractor in writing it does not have funds available for the award term incentive periods; or
- (iv) The Government no longer has a need for the award term incentive period at or before the time an award term incentive period is to commence.
- (2) When an award term incentive period is not granted or cancelled, any—
- (i) Prior award term incentive periods for which the contractor remains otherwise eligible are unaffected.
- (ii) Subsequent award term incentive periods are thereby also cancelled.
- (d) Cancellation of an award term incentive period that has not yet commenced for any of the reasons set forth in paragraph (c) of this clause shall not be considered either a termination for convenience or termination for default, and shall not entitle the contractor to any termination settlement or any other compensation. If the award term incentive is cancelled, a unilateral modification will cite this clause as the authority.
- (e) Award term incentive administration. The award term incentive evaluation(s) will be completed in accordance with the schedule in the Award Term Incentive Plan. The contractor will be notified of the results and their eligibility to be considered for the respective award term incentive no later than 120 days after an evaluation period.
- (f) Review process. The contractor may request a review of an award term incentive evaluation which has resulted in the contractor being ineligible for the award term incentive. The request shall be submitted in writing to the Contracting Officer within 15 days after notification of the results of the evaluation.

(End of clause)

[73 FR 1981, Jan. 11, 2008]

## 1552.216-78 Award term incentive plan.

As prescribed in 1515.406(c), insert a clause substantially the same as follows:

AWARD TERM INCENTIVE PLAN (FEB 2008)

(a) The Award Term Incentive Plan provides for the evaluation of performance, and, together with Agency need and availability of funding, serves as the basis for award term